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IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of	:	BRESLOW, Stuart Lee et al.	
Serial No.	:	09/476,448	Examiner: RUDY, Andrew J.
Filed	:	December 30, 1999	Group Art Unit: 3627
Title	:	**ON-LINE TRADING SYSTEM**	

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GROUP 3600

Commissioner for Patents
P.O. Box 1450
Alexandria, VA 22313-1450

DECLARATION OF PRIOR INVENTION TO OVERCOME A CITED REFERENCE UNDER 37 C.F.R. § 1.131

Sir:

We, Stuart Lee Breslow, Alla Turetsky, Robert Kodey, and Todd Commisso, hereby declare the following facts to overcome a cited reference under 37 C.F.R. § 1.131:

1. We are the four named inventors in the above referenced U.S. patent application. We are joint inventors of the subject matter claimed in pending claims 15-16, 19-21, 23, and 26-28, as amended by any amendments filed prior to or concurrently herewith. We are making this Declaration in support of the patentability of the claims pending in this application on our own behalf as well as on behalf of any non-signing inventors.

2. We were employed by PaineWebber® Incorporated, the initial Assignee of record of this application, for at least the period of time during conception and reduction to practice of the present invention. PaineWebber® Incorporated has developed EDGE Trading^{SM} online trading software that incorporates the claimed invention, which is described in the design documents listed below in Table A and attached hereto as Exhibits A-G.

3. We, the inventors of the present application, have prepared at least the relevant part or parts of the documents that describe the claimed invention listed below in Table A and attached hereto as Exhibits A-G.

4. In an Office Action mailed June 21, 2004, claims 15-16, 19-21, 23, and 26-28 pending in this application were rejected under 35 U.S.C. § 103(a) as being obvious over Breen et al. (U.S. Patent 6,615,188), which was filed on October 14, 1999 (prior to the filing of the present application) and issued September 2, 2003 (after the filing of the present application).

5. As established below, we, the inventors of the present application, have completed the invention claimed in pending claims 15-16, 19-21, 23, and 26-28 in the United

States before the October 14, 1999 filing of Breen et al. As also established below, we have conceived of the invention and have reduced the invention to practice before October 14, 1999, as evinced in the documents listed in Table A and also attached hereto as Exhibits A-G.

Document Name	Date	Location and Description
Aged System Rewrite Online Trade Processing Technical Design Document – Document version 1.2	September 10, 1998	Exhibit A – Draft document describing the technical design of the online trading engine
PaineWebber EDGE Trading Release 1.0 Functional Specification – Document version 1.3	November 2, 1998	Exhibit B- Provides a functional description of the system
PaineWebber EDGE Trading Release 1.0 Functional Specification – Document version 1.4	December 10, 1998	Exhibit C – Provides a functional description of the system
PaineWebber® EDGE Trading℠ Functional & Business Requirements	December 19, 1998	Exhibit D – Describes the online trading system from a business standpoint
Online Trading Processing & EDGE℠ Online Trading	March 10, 1999	Exhibit E – PowerPoint overview of and demonstration of online trading system
Revised Margin Requirements	No later than July 2, 1999	Exhibit F – Revision with regard to the margin requirements of Exhibit C
Memorandum Re: Documentation for Online Trading Patent Application	July 2, 1999	Exhibit G – lists documentation forwarded to patent counsel for use in preparing the present patent application.

Table A – Exhibit Schedule

6. At some time no later than December 10, 1998, we, the inventors of the present application, conceived the subject matter covered by pending claims 15-16, 19-21, 23, and 26-28 for use with the EDGE Trading online trading software, as evinced by the attached Exhibits A-G, which discuss the features of the pending claims, and proceeded with due diligence to reduce the claimed invention to practice. The locations in the referenced Exhibits discussing the features of independent claim 15 are outlined below in Table B. All of the features of claims 15 are collectively discussed in the Exhibits A-C each of which is dated prior to December 10, 1998, which is prior to the October 14, 1999 filing of Breen et al. The locations in the referenced Exhibits discussing the features of dependent claims 16, 19-21, 23, and 26-28 are outlined below in Table C.

Claim 15 features	Location (description)
An on-line system for allowing a client to trade financial instruments over a computer network	• Exhibit A, pg. 3 (discussing ability for customers to enter equity orders of the Internet) • Exhibit E, pg. 3 (discussing business rules), pg. 9 (discussing order validation), pg. 12, (discussing business rules and calculations),
Brokerage interface means operative to allow the client to trade financial instruments through a client computer connected to the brokerage interface over the computer network	• Exhibit C, pg. 8, item 3, and Exhibit D, pg. 7, item 3 (discussing ability for users to trade through their account) • Exhibit C, pg. 18, 36-38, and Exhibit D, pg. 18 (discussing interfaces for client to trade financial instruments) • Exhibit E, pg. 19 (showing client computer connected to a brokerage interface).
Providing server means, the providing server means capable of transmitting account information to and from the brokerage interface means	• Exhibit E, pg. 19 (showing connecting server, e.g., proxy server, web server, brokerage access server, edgeserver, etc.).
A mainframe computer means operative to receive orders to trade financial instruments from the client, to validate orders based on a set of predetermined business rules and calculations, and block the order to trade the financial instrument if the order does not satisfy a business rule, the business rules designed to limit the client's risk in trading financial instruments	• Exhibit A, pg. 10-12 (discussing order validation), and pg. 13-15 (discussing business rules) • Exhibit B, pg. 48-50 (discussing business rules designed to limit the client's risk), pg. 51-59 (discussing calculations), and pg. 50 (discussing blocking trades if the business rule or calculation is not satisfied) • Exhibit C, pg. 18, and Exhibit D, pg. 18 (discussing interface for client to trade financial instruments) • Exhibit E, pg. 3 (discussing business rules), pg. 9 (discussing order validation), pg. 12, (discussing business rules and calculations), and pg. 19 (showing mainframe computer for validating orders against business rules) • Exhibit F (discussing business rules)
Connecting server means capable of transmitting information between the providing server means and the mainframe means	• Exhibit E, pg. 19 (showing connecting server between providing server and mainframe).
Quote server means capable of transmitting stock market quotes and related information to said providing server means	• Exhibit B, pg. 23 (discussing quote screen and the quote and related information provided therewith) • Exhibit E, pg. 19 (showing quote server, e.g., edgeserver, CTPS).
Advisor computer means operated by a financial advisor to monitor and correct errors in the orders to trade financial instruments	• Exhibit A, pg. 3 (discussing ability for brokers to view and correct customer originated trades) • Exhibit B, pg. 37-42 (discussing ability for advisor to monitor and correct client initiated trade orders) • Exhibit E, pg. 3 (discussing correcting orders), pg. 19 (showing advisor computer (FA))
Trading system means connected to the mainframe computer means, the trading system means having access to a plurality of exchanges in order to facilitate trading financial instruments	• Exhibit C, pg. 8, item 14, and Exhibit D, pg. 7, item 14 (discussing ability for users to trade listed and OTC equities) • Exhibit E, pg. 19 (showing trading system CTPS connected to OTC and Exchanges).

Table B – Claim 15 index of features and location in Exhibits A-G

Claim	Location (description)
16	• Exhibit A, pg. 3 (discussing ability for customers to enter equity orders of the Internet) • Exhibit C, pg. 8, items 4 and 6, and Exhibit D, pg. 7, items 4 and 6 (discussing ability for users to be able to trade equities, mutual funds, options, etc., through their account)
19	• Exhibit A, pg. 3 (discussing ability for brokers to view and correct customer originated trades) • Exhibit B, pg. 37-42 (discussing ability for advisor to monitor and correct client initiated trade orders) • Exhibit E, pg. 12 (discussing financial advisor alerts)
20	• Exhibit B, pg. 42 (discussing trade monitor operation)
21	• Exhibit B, pg. 6-8 (discussing client enrollment) • Exhibit C, pg. 7, item 2, and Exhibit D, pg. 8, item 2 (discussing online trading enrollment)
23	• Exhibit C, pg. 9-12 and 22-32, and Exhibit D, pg. 8-12 and 22-33, (discussing trading pages including trade wizards for trading financial instruments, e.g., stock, fund, etc.)
26	• Exhibit B, pg. 48-50 (discussing business rules with respect to cash or margin trades) • Exhibit E, pg. 12 (discussing cash or margin trades) • Exhibit F (discussing business rules)
27	• Exhibit A, pg. 25-26 (introducing intraday position validation)
28	• Exhibit A, pg. 10 (listing message processing paths including confirmation messages), pg. 24 (discussing confirmation process) • Exhibit C, pg. 33, 50; Exhibit D, pg. 34, 46 (discussing trade confirmation) • Exhibit E, pg. 9 (discussing order confirmation)

Table C – Index of dependent claims feature location in Exhibits A-G

7. At some time prior to March 10, 1999 the subject matter covered by pending claims 15-16, 19-21, 23, and 26-28 has been reduced to practice, as evinced by the attached Exhibits A-E. Each of the attached Exhibits is dated prior to March 10, 1999, which is prior to the October 14, 1999 filing of Breen et al., and each includes therein screenshots that were taken in connection with tests run periodically during software development to test the software's operation. See screenshots in the relevant pages of the Exhibits outlined below in Table B. Moreover, Exhibit E is a presentation prepared by inventors Stuart Breslow and Alla Turetsky that refers to a demonstration of the claimed invention that occurred prior to the March 10, 1998 presentation. See Exhibit E, pg. 10-18 (referring to a demonstration and screenshots taken in connection with the demonstration).

8. At about July 2, 1999, inventor Stuart Breslow forwarded the documents attached hereto as Exhibits A-E and G to patent counsel Riker, Danzig, Sherer, Hyland & Peretti for the preparation of the present application, as evinced by the attached Exhibit G. Exhibit F was forwarded to patent counsel by facsimile on July 19, 1999, as evinced by the facsimile watermarks thereon.

9. All of the acts relied upon herein to establish conception, due diligence, and completion of the invention were carried out in the United States.

10. All statements made herein of my own knowledge are true and all statements made on information and belief are believed to be true. These statements were made with the knowledge that willful false statements and the like are punishable by fine or imprisonment, or both, under Section 1001 of Title 18 of the United States Code, and willful, false statements may jeopardize the validity of the application or any patent issuing thereon.

Dated: 11/5/2004

Stuart Lee Breslow

Dated: 11/09/2004

Alla Turetsky

Alla Turetsky

Dated: 11/13/2004

Robert Kodey

Dated: 11-17-04

Todd Commisso